

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

August 4, 2023

Company name: FUTABA CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 6986 URL <https://www.futaba.co.jp/>
 Representative: President and Representative Director Chief Motoaki Arima
 Executive Officer
 Executive Officer General Manager
 Corporate Administration Division
 Inquiries: Masayuki Nakamura TEL 0475-24-1111
 Scheduled date to file Quarterly Securities Report: August 9, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2023	13,856	(1.1)	(892)	–	(146)	–	(1,211)	–
Three months ended June 30, 2022	14,007	3.7	(1,048)	–	(111)	–	(936)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2023	(28.57)	–
Three months ended June 30, 2022	(22.07)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	100,569	87,055	74.7
As of March 31, 2023	98,118	85,210	75.2

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2023	–	7.00	–	7.00	14.00
Year ending March 31, 2024	–	–	–	–	–
Year ending March 31, 2024 (Forecast)	–	–	–	–	–

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	56,000	(7.2)	(1,200)	–	(530)	–	(3,800)	–	(89.59)

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2023	42,426,739 shares	As of March 31, 2023	42,426,739 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	10,139 shares	As of March 31, 2023	9,958 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2023	42,416,758 shares	Three months ended June 30, 2022	42,417,294 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	24,068	23,824
Notes and accounts receivable - trade	15,194	15,372
Electronically recorded monetary claims - operating	1,506	1,584
Securities	300	—
Merchandise and finished goods	5,724	6,386
Work in process	3,267	3,135
Raw materials and supplies	11,433	12,101
Other	1,408	1,640
Allowance for doubtful accounts	(786)	(843)
Total current assets	62,118	63,202
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,559	5,814
Machinery, equipment and vehicles, net	2,031	1,995
Tools, furniture and fixtures, net	320	296
Land	9,902	10,216
Leased assets, net	3	3
Construction in progress	166	148
Other	352	353
Total property, plant and equipment	18,335	18,829
Intangible assets		
Goodwill	13	6
Other	662	660
Total intangible assets	675	667
Investments and other assets		
Investment securities	9,772	10,340
Other	7,987	8,103
Allowance for doubtful accounts	(771)	(573)
Total investments and other assets	16,988	17,870
Total non-current assets	35,999	37,367
Total assets	98,118	100,569

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,534	3,511
Electronically recorded obligations - operating	508	615
Short-term borrowings	328	314
Accrued expenses	2,364	2,523
Income taxes payable	129	177
Provision for bonuses	758	578
Other	1,475	1,783
Total current liabilities	9,099	9,505
Non-current liabilities		
Deferred tax liabilities	2,710	2,921
Provision for retirement benefits for directors (and other officers)	57	4
Retirement benefit liability	378	390
Other	662	692
Total non-current liabilities	3,807	4,008
Total liabilities	12,907	13,514
Net assets		
Shareholders' equity		
Share capital	22,558	22,558
Capital surplus	21,555	21,258
Retained earnings	24,166	22,954
Treasury shares	(16)	(16)
Total shareholders' equity	68,263	66,754
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,508	2,902
Foreign currency translation adjustment	1,938	4,465
Remeasurements of defined benefit plans	1,076	1,003
Total accumulated other comprehensive income	5,523	8,371
Non-controlling interests	11,423	11,928
Total net assets	85,210	87,055
Total liabilities and net assets	98,118	100,569

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	14,007	13,856
Cost of sales	12,237	12,100
Gross profit	1,769	1,755
Selling, general and administrative expenses	2,818	2,647
Operating loss	(1,048)	(892)
Non-operating income		
Interest income	68	104
Dividend income	131	128
Foreign exchange gains	689	309
transfer of rights income	—	157
Other	56	86
Total non-operating income	946	786
Non-operating expenses		
Interest expenses	6	17
Loss on investments in investment partnerships	—	9
Other	2	14
Total non-operating expenses	9	40
Ordinary loss	(111)	(146)
Extraordinary income		
Gain on sale of non-current assets	17	8
Total extraordinary income	17	8
Extraordinary losses		
Loss on sale of non-current assets	0	—
Loss on abandonment of non-current assets	1	0
Impairment losses	534	662
Loss on business restructuring	—	299
Total extraordinary losses	536	961
Loss before income taxes	(630)	(1,099)
Income taxes - current	80	99
Income taxes - deferred	118	19
Total income taxes	198	118
Loss	(828)	(1,217)
Profit (loss) attributable to non-controlling interests	107	(5)
Loss attributable to owners of parent	(936)	(1,211)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Loss	(828)	(1,217)
Other comprehensive income		
Valuation difference on available-for-sale securities	(108)	395
Foreign currency translation adjustment	3,279	3,230
Remeasurements of defined benefit plans, net of tax	(131)	(70)
Total other comprehensive income	3,039	3,554
Comprehensive income	2,211	2,337
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,658	1,636
Comprehensive income attributable to non-controlling interests	553	701